

**FILED**  
**04-24-2020**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2019CV001209**

# EXHIBIT J

**Northwestern National Insurance Company**  
**Statement of Admitted Assets, Liabilities & Policyholders' Surplus**  
**December 31, 2019**

**ADMITTED ASSETS**

**CASH & INVESTMENTS:**

|  |                             |
|--|-----------------------------|
| Cash                                     | 2,188,505                   |
| Restricted Cash                          | 1,208,901                   |
| Bonds                                    | 2,059,542                   |
| Investment in Compass Insurance Company  | 5,861,841                   |
| Total Cash & Investments                 | <u>\$ 11,318,789</u>        |
| Accrued Investment Income                | 23,255                      |
| Reinsurance Recoverable                  | 179,877                     |
| Escrowed Court Funds                     | 760,590                     |
| Premium Receivables                      | 4,336                       |
| Recoverable on Unpaid Case Loss Reserves | \$ 4,000,000                |
| <b>TOTAL ADMITTED ASSETS</b>             | <u><b>\$ 16,286,847</b></u> |

**LIABILITIES & POLICYHOLDERS' SURPLUS**

**LIABILITIES:**

|   |                      |
|---|----------------------|
| Distribution Class 1- Unpaid Unallocated LAE Reserves                       | 489,158              |
| Distribution Class 1- Admin Expenses  | 572,310              |
| Distribution Class 3 - Unpaid Case Loss Reserves                            | 7,404,489            |
| Distribution Class 3 - GA Paid Loss   | 715,726              |
| Distribution Class 4 - Unearned Premiums                                    | 123,688              |
| Distribution Class 5 - Other claimants                                      | 9,271,246            |
| Distribution Class 5 - Unpaid Case Loss Reserves - Compass Assumed Business | 46,630               |
| Funds Held  | 1,964,889            |
| Total Liabilities   | <u>\$ 20,588,137</u> |

**SURPLUS:**

|   |                             |
|---|-----------------------------|
| Policyholders' Surplus - Beginning                    | (174,985)                   |
| Change in Compass Ins Co                              | (28,824)                    |
| Year-to-Date Net Income (Loss)                        | (4,097,481)                 |
| Total Policyholders' Surplus - Ending                 | <u>\$ (4,301,290)</u>       |
| <b>TOTAL LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b> | <u><b>\$ 16,286,847</b></u> |

## Northwestern National Insurance Company

### Statement of Operations

December 31, 2019

|   |                       |  |
|---|-----------------------|--|
| NET PREMIUMS EARNED:  |                       |  |
| Total Gross Premiums  | 113,276               |  |
| Total Premium Ceded   | -                     |  |
| Total Change in Net Unearned Premium  | 1,832                 |  |
| Total Net Premiums Earned   | \$ 115,108            |  |
| NET LOSSES AND ALAE INCURRED:   |                       |  |
| Net Losses Paid   | 995,209               |  |
| Change in Unpaid Losses and IBNR  | (4,824,651)           |  |
| Net LAE Paid  | 230,476               |  |
| Change in Unpaid LAE and LAE IBNR   | (2,026,611)           |  |
| Total Net Losses and LAE Incurred   | \$ (5,625,577)        |  |
| OPERATING EXPENSES:   |                       |  |
| Payroll and Insurance   | 58,839                |  |
| Travel and Meetings   | 9,856                 |  |
| Rent  | 80,907                |  |
| Software and Equipment  | 17,190                |  |
| Office Costs  | 159,555               |  |
| Legal/Consulting/Audit Fees   | 387,506               |  |
| Claims System Fees  | 129,921               |  |
| Distribution Class 3 - Net Unpaid Case Loss Reserves                        | 9,220,629             |  |
| Investment Funds siezed by the State  | 2,529,942             |  |
| Change in Premium Deficiency Reserve  | (3,815,260)           |  |
| Other Expenses  | 27,166                |  |
| Distribution Class 5 - Unpaid Case Loss Reserves - Compass Assumed Busniess |                       |  |
| Total Operating Expenses  | \$ 9,696,786          |  |
| <b>UNDERWRITING GAIN (LOSS)</b>   | <b>\$ (3,956,100)</b> |  |
| INVESTMENT & OTHER INCOME:  |                       |  |
| Interest and Dividend Income  | 187,535               |  |
| Realized Gain (Loss) on Investments   | (328,915)             |  |
| TOTAL INVESTMENT & OTHER INCOME   | \$ (141,381)          |  |
| <b>NET INCOME (LOSS)</b>  | <b>\$ (4,097,481)</b> |  |